

REPORT OF THE PENNICHUCK WATER SPECIAL COMMITTEE

MARCH 29, 2016

A meeting of the Pennichuck Water Special Committee was held on Tuesday, March 29, 2016, at 7:06 p.m. in the Aldermanic Chamber.

Alderman-at-Large Daniel T. Moriarty, Chair, presided.

Members of the Committee present: Alderman-at-Large Mark S. Cookson
Alderman-at-Large David W. Deane

Members Not in Attendance: Alderman Sean M. McGuinness, Vice Chair
Alderman Mary Ann Melizzi-Golja

Also in Attendance: Mr. Larry D. Goodhue, CEO, Pennichuck Corporation
Mr. Don Ware, COO, Pennichuck Corporation
Mr. Thomas J. Leonard, Chairman, Pennichuck Board of Directors

PUBLIC COMMENT – None

COMMUNICATIONS

From: Larry D. Goodhue, Chief Executive Officer
Re: Pennichuck Subsidiaries – Request for Approval of Loans from the
New Hampshire Drinking Water Revolving Loan Fund Program

- Referred to Cmte – 2/23/16

MOTION BY ALDERMAN DEANE TO ACCEPT AND PLACE ON FILE MOTION CARRIED

From: Larry D. Goodhue, Chief Executive Officer
Re: Pennichuck East Utility, Inc. – Request for Approval of Loan with CoBank, ACB

- Referred to Cmte – 2/23/16

MOTION BY ALDERMAN DEANE TO ACCEPT AND PLACE ON FILE MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-16-012

Endorser: Alderman-at-Large Daniel T. Moriarty
AUTHORIZING PENNICHUCK CORPORATION, PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND PITTSFIELD AQUEDUCT COMPANY, INC. TO BORROW FUNDS FROM THE NEW HAMPSHIRE DRINKING WATER STATE REVOLVING LOAN FUND

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE

ON THE QUESTIONMr. Leonard

With regard to R-16-012, the letter from Larry Goodhue to Attorney Bennett kind of sets up a full explanation but we are happy to answer any questions. We have to come before the Board before we go forward with any borrowing.

Alderman Deane

I don't have any questions, the letter was pretty self-explanatory. The rates are interesting.

Mr. Goodhue

What is before you are three loans with the state revolving fund and one loan with CoBank ACB. They are for the three regulated water utilities that are a part of our consolidated corporation. They are for specific projects with regard to Pennichuck Water Works it is related to a specific project on Amherst Street in Nashua. With respect to the loan for Pittsfield Aqueduct with the state revolving fund it's specific to a project on Varney Road in Barnstead, NH and with respect to the SRF loan for Pittsfield Aqueduct that has to do with a water main project that is on both Fairview Road and Catamount Road up in Pittsfield, NH. With respect to the CoBank loan that is for capital projects for PEU both as a reimbursement funding for 2015 projects and prospective funding for 2016 projects that are not funded by the state revolving fund loans. This is a part of the annual funding requirements for PEU and PAC in their totality for capital projects and for an eligible project for Pennichuck Water Works that is outside of the bonded money we would have already procured for that corporation for 2016 projects. It's specific to a project that the city is working on Amherst Street and we need to complete that work in advance of city paving on that very congested corridor in the City of Nashua, NH.

Mr. Leonard

The CoBank loan is actually R-16-013 which is the next one.

Chairman Moriarty

It's a fair statement to say that you can't spend cash because you don't have cash on hand so any time you do any capital improvements you have to take a loan for it; that's just the way the company is established.

Mr. Goodhue

That is correct.

Chairman Moriarty

In the past you have come through a few times and have requested loans which we granted and they were on a schedule. Are these loans part of that original schedule that we talked about last year or are they something that popped up?

Mr. Ware

I am going to say that the Amherst Street project is a project that would have been above that schedule but actually it's a part of, if look at the aggregate investment that we make in this city on an annual basis, that probably would push some other projects that we would have on a long-term placement schedule into a future year. The aggregate dollars that we are looking at don't really flex but the nature of the projects that underlay that might change in response to city projects relative to paving and other efforts that they are doing in the city.

Alderman Deane

There's nothing wrong with that. The last thing that we want to do is rebuild and repave roadways and have Pennichuck over there putting in trenches and water lines. The gas company is the same way, abutters are all noted, people who want utilities are all noted and that way when the street is open that's the way to do it.

Mr. Ware

It's the most efficient way for us and the city to accomplish those tasks.

MOTION CARRIED**R-16-013**

Endorser: Alderman-at-Large Daniel T. Moriarty

**AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC.
TO ENTER INTO A LONG TERM LOAN WITH COBANK**

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE**MOTION CARRIED**NEW BUSINESS – ORDINANCES – NonePUBLIC COMMENT - NoneREMARKS BY THE ALDERMEN - NonePOSSIBLE NON-PUBLIC SESSIONADJOURNMENT**MOTION BY ALDERMAN DEANE TO ADJOURN****MOTION CARRIED**

The Pennichuck Water Special Committee meeting was adjourned at 7:12 p.m.

Chairman Daniel T. Moriarty